4:Grajdanzev--115 [21 S-4 (no date) 1942 Formosans -1-2
116, 171, 465

"Japanese authors complain that wages in Taiwan are high, and that they are high because of the prosperous condition of the farmers. The farmers are so well off that they do not want to leave the farms. Takahashi tells a story, for example, of how government officials were not able to hire a sufficient number of laborers for irrigation works at the rate of wages prescribed by these officials. The chief obstacle to the development of industry, we are told, is high wages. Moreover, these wages are rising continuously. The official Taiwan Jijo says: 'wages of the islanders up to 1920 rose by 200 per cent in comparison with the prewar level, while in comparison with the period before the Japanese occupation the increase is wonderful' (odoroku-beki) (1). Below we give wages per

1. Op. cit., p. 610.

day for corresponding groups of workers in Tokyo and Nagoya in Japan, and Taihoku and Taichu in Taiwan.

Wages per Day in 1939
(yen)

	Japan		Taiwan	
	Tokyo	Nagoya	Taihoku	Taichu
Turners	4.20	2.84	1.60	no data
Cement workers	2.36	2.58	no data	0.95

Wages per Day in 1939 [Cont.]
(yen)

	Japan		Taiwan	
	Tokyo	Nagoya	Taihoku	Taichu
Foundry workers	4.01	2.38	1.20	no data
Millers	2.93	2.45	1.15	0.70
Dyers	3.07	1.78	1.09	no data
Printers	3.33	2.12	1.80	1.00
Day laborers, men	2.10	2.20	0.85	0.74
Day laborers, women	1.24	1.30	0.60	0.55

Sources: For Taiwan, Taiwan Jijo; for Japan, Rodo nenkan."

"As is well known, Japan is not a country of high wages. Yet wages there are from two to three times higher than the wages of the Chinese in Taiwan and do not seem to have been an obstacle to the development of industry. The wage level is closely connected with the level of retail prices and this we give below.

Retail Prices in Taihoku, May 1939

		(sen)
Sweet potatoes	(per kin)	6.4
Rice, horai	(per kin)	11
Sugar	(per kin)	29
Pork, average quality	(per kin)	43
Miso, per 100 momme	(0.827 lb.)	8
Fish	(per kin)	18-22
Eggs, each		6
Soap, per piece		10-17
Matches, per box		1.4
Firewood, per 100 kin		180
Muslin (per yard)		134

Now, let us take two workers—one skilled and one day laborer. For the skilled workers the average daily wage in the second half of 1938 was ¥1.43 per day, (1) for an

1. This is a simple arithmetic average of 60 different

categories of workers in Taihoku; in so far as highly paid categories are small in numbers, the weighted average would be lower. The official estimate of the average wage for Taihoku is ¥1.27.

unskilled worker ¥0.85. The average family in Taiwan consists of five to six persons. According to the prices given above, the skilled worker can buy with his daily wages, for example, either 17.2 lb. of rice or 4.4 lb. of pork, or 6.5 lb. of sugar. An unskilled worker can make such purchases as 10.2 lb. of rice, or 2.6 lb. of pork, or 3.9 lb. of sugar. By whatever standards, it is evident that the wages of the workers are very low.

The wages of Japanese workers, on the other hand, are at least double those of the Chinese for the same job. For Taihoku the official estimate of the average wage for the Chinese is ¥1.27, for Japanese, ¥2.41 (2). It is thus not profitable for the Japanese

2. A simple arithmetic average for 25 occupations of the Japanese in Taihoku gives ¥2.65.

entrepreneurs to use Japanese workers extensively."

4:Grajdanzev--117 S-4 (no date) 1942 Formosans
116, 465, 472, 511, 563

"We saw previously that the development of modern industry in Taiwan did not benefit the Chinese as entrepreneurs. Now it becomes evident that it brought very little to them as workers. If we use Engel's ratio of sixty per cent as an estimate of the share of wages spent on food in low-wage countries, it appears that the wages of the unskilled worker in Taiwan can purchase about one pound of rice per day for each member of his family."

4:Grajdanzev--137-138 S-4 (no date) 1942 Formosans-1-5
116, 465, 652, 177.65 Japan
636.65

"The expenditures of Taiwan government-general may be classified as follows:
Expenditures of the Government-General (1,000 Yen) (1)

1. Source: Okurasho Nempo.

Purpose [a]	1935	1936 settled accounts	1937	1938 budget	1939 budget estimates
Government-general	1,758	1,939	2,289	2,232	2,416
Grants to local governments	14,704	14,985	15,733	16,171	16,648
Pensions	4,915	4,898	5,088	5,190	5,414
Public finance [b]	9,210	8,623	9,412	9,920	14,315
Police, court, prison [c]	4,474	4,547	5,437	5,534	5,342
General hygiene, hospitals [d]	716	572	833	978	1,204
Education	4,720	5,096	5,499	4,119	4,840
University [e]	295	322	349	3,236	3,797
Research and Investigations	2,630	2,570	3,055	3,186	3,929

4:Grajdanzev--137-138 S-4 (no date) 1942 Formosans-2
116, 465, 652, 177.65 Japan
636.65

	1935	1936 settled accounts	1937	1938 budget	1939 budget estimates
Railroads and roads (new construction)	7,136	8,537	8,475	9,839	9,588
Ports, rivers	9,113	9,625	10,669	9,120	13,327
Communications (new construction)	717	1,623	1,718	1,442	1,798
Help to sufferers in natural calamities	2,894	435	600	1,272	326
Development of State lands	204	193	335	445	497
Rice control	405	1,180	1,218	121	2,217
War	287	2,017	8,727	18,299	21,150
Meteorological stations [1381]	73	94	278	507	890
Propaganda	146	155	427	1,228	1,957
of which for 'spiritual mobilization'			37	57	60

4:Grajdanzev--137-138 S-4 (no date) 1942 Formosans-3
116, 465, 652, 177.65 Japan
636.65

	1935	1936 settled accounts	1937	1938 budget	1939 budget estimates
'Expenses of establishments (shisetsu) in South China and the South Seas'	583	618	1,080	2,046	4,074
Secret funds	181	176	176	159	190
Encouragement of industry	3,969	5,707	5,873	9,058	11,468
Temples and shrines	709[f]	134	349	377	599
Total	69,839	74,046	87,620	104,479	125,986

a) The classification offered here is in most cases quite different from the official one; see below for explanations.
b) Chiefly debt service and the cost of tax collection.
c) Not including those paid from the budget of local governments.
d) These are net expenditures, receipts from the patients are deducted.
e) As will be shown later, the University serves chiefly the Japanese. It existed before 1938, but the expenditures were not disbursed from the budget of the government-general.

f) Includes expenditures on the memorial exhibition ('Forty years of Japanese rule').

To this it is useful to add the table of expenditures of provincial and local governments:

Expenditures of Provincial and Local Governments (1,000 Yen)

	1938 budget	1939 budget estimates
Cost of government, including police	8,289	7,630
Debt service	4,389	4,413
Education	13,177	14,144
Hospitals and hygiene	5,447	5,193
Encouragement of industry	5,172	6,488
Guards	757	1,110
Public Works	7,156	7,052
Repairs	6,796	4,361
Shrines	146	103
Other expenditures	19,827[a]	21,159[a]
Total	71,156[a]	71,653[a]

a) This includes several millions in cases of double counting

(grants from the provincial governments to local ones), but we have no means of tracing them."

4:Grajdanzev--154-155 S-4 (no date) 1942 Formosans -1-3
116, 171, 465, 511. 556, 563, 177.43 Japan
636.43

"The profits and emoluments which the Japanese get from Taiwan may be divided into two parts, that which they consume in Taiwan itself and that which is sent to Japan or invested in business. Consider first what the Japanese consume on the island. We shall assume that the workers and the lesser officials consume the whole of their income—any error which this hypothesis may involve will be small. Skilled Japanese workers in Taiwan earn about 700-800 yen a year and subordinate officials, who form the bulk of the Japanese population, earn about 1,200-1,500 yen a year. There are Japanese who earn and spend much less than the skilled worker and also rich Japanese who spend much more than 1,500 yen. Let us [155] assume that 1,500 yen is the average annual amount spent by a Japanese family in Taiwan and that in each family only one person is working (1). On these assumptions the disbursements of the Japanese popula-

1. It is interesting to note that the budget investigation conducted by the government-general in 1937-1938 based on 355 'representative' Japanese families comprising 1,397 persons arrived at an average of 184.56 yen per month or 2,215 yen per year. This investigation does not include the richest families but does include poorer groups (18 families with incomes below 840 yen a year) showing that our estimate of 1,500 yen is certainly not above the average, but quite probably below it. The same source gives budget figures for the Chinese on the island, but they cannot be used for purposes of accurate comparison because they embrace only the

higher brackets of wage earners and salaried men. Their average earnings are 137.33 yen per month, though the official average daily wage is 1.27 yen, but those receiving less than 40 yen per month comprise only one percent of the cases investigated.

tion in 1938 are estimated at about 90 million yen. Of course, a part of this outlay would be made if Chinese workers and officials, working as hard and as well as the Japanese (2), were substituted for the latter. The average Chinese worker does not earn more

2. An official source says of the Chinese in the service of the Post Office that they 'have shown themselves as satisfactory postal employees as the Japanese in the same capacity.' (Taiwan, its System of Communications and Transportation. p. 24.)

than 380 yen a year (3), and a Chinese official earns about 600 yen. Thus the same num-

3. Based on the official daily average of 1.27 yen multiplied by 300 (days).

ber of the Chinese would cost only about 36 million yen, or about 54 million yen less than the Japanese. We shall see that this is not the chief item in the list of benefits

which Japan derives from possession of the island (4).

4. The budget investigation conducted in Japan in 1936-37 gives the average monthly income as 90.59 yen per family for 558 families, while that in Taiwan in 1937-38 gives an average 184.56 yen for 355 families. If the groups included are reasonably comparable, as seems probable, the difference between the average earnings of the two groups gives some indication of the net advantage of the Japanese occupied in Taiwan and their 'dividend' in the colonial profits."

15. U.S. Navy --27 [7] (no date) 1944 Formosans -1
116, 465, 511, 435, 556, 563

"Living conditions and the cost of living are intimately connected with the wage scale. Wages in Japan are two to three times higher than the wages of Formosans. For the skilled Formosan the average daily wage in the second half of 1938 was ¥1.13 ($.27) per day, and for the unskilled worker ¥.85 ($.17): figures based upon averages for sixty different categories. The Japanese official averages published for 1939 were ¥1.27 ($.33) for the Formosan-Chinese and ¥2.41 ($625) for the Japanese laborer. The average Formosan family consists of five persons, who must depend upon these wages. As an indication of the cost of living and the standard possible, there is presented the retail prices of some commodities in Taihoku, in May, 1939, when the yen was worth $.2596:

Table 23: Retail Commodity Prices, Taihoku, 1939

Sweet potatoes per kin (1.3228 lbs.)	6.4 sen
Rice (first grade) " " "	11.0 "
Sugar " " "	29.0 "
Pork (av. quality) " " "	43.0 "
Fish " " "	18-22.0 "
Chicken eggs, each	6.0 "
Soap per piece	10-17.0 "
Matches, per box	1.4 "
Firewood (per 100 kin)	180.0 "

Table 23: (cont.)

Miso (bean paste) (100 momme: 0.827 lbs.)	8.0 sen
Muslin, per yard	134.0 " "

15: U.S. Navy--27 [10] (no date) 1944 Formosans
116, 465, 511

"The rapid advance in the cost of living and its adverse effect on living standards must be kept in mind when notice is taken of wages listed in the Economic Supplement."

15: U.S. Navy--32 [8] (no date) 1944 Formosans
116, 465, 511, 563

"The Formosan-Chinese can work at a lower wage-scale than the Japanese, but at the same time are supposed to be less efficient."

15: U.S. Navy--33 [3] (no date) 1944 Formosans
116, 465

"The scale of wages in Taiwan varies considerably in the various cities of the island for the same kind of effort, this being due to the small scale of industry in general. When there are large numbers of workers employed in any one industry, the difference in wages paid in each city is small."

15: U.S. Navy--33 [4]
116, 563, 463, 465, 177.46
636.46

(no date) 1944

Formosans
Japanese

"Formosan-Chinese furnish almost all labor. Japanese are generally employed as foremen or skilled labor, or in particularly vital operations. For instance, they provide the personnel on the moving stock of the Government Railway system. This accounts for the difference in wage scales whereby the Japanese laborer receives from 80 to 150 percent more than Formosan-Chinese who do the same work. A Japanese tailor, for instance, at one time received two yen a day as against 1.20 yen per day for a Formosan-Chinese; a worker in a pineapple cannery 1 50 as against the Formosan-Chinese wage of 70 sen."

464 Employment Situation. The population density of Formosa is the second highest in the world. In 1951 there were 667 persons to one square mile of land.[2] Because of limited economic resources and overpopulation, partial and under-employment are more prevalent than complete unemployment. Manpower appears to be rather poorly distributed, with the result that the rate of under-employment in some cases is unusually high. This is particularly true among civil service personnel and employees of various government-owned enterprises. Industrialization, though at a rapid pace, has not given rise to technological unemployment. Under the inflationary conditions generated in the economy, the number of workers has increased. As reported in the Yearbook of Labor Statistics 1953, the employment index in manufacturing rose from 100 in 1948 to 178.8 in 1952.[3]

•465 Working Hours and Wages. The law provides that the regular work week consists of an eight-hour day, six days a week.

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2. Mutual Security Agency Mission to China, Chinese-American Economic Cooperation, Taipei, Vol. 1, No. 5, May 1952, p. 44. The population was estimated at 9.2 million.

3. International Labor Office.

• 465 Overtime is paid at time and a half. National holidays are observed.[4] Actual practice, however, diverges from the above provisions in some cases. National holidays are only generally observed. In government agencies and enterprises, banks, schools, and other public institutions the eight-hour-day principle stands. However, in most mines and factories 10 hours or more a day and 6.5 to 7 days a week are usually the rule.[5] Low wages force employees to work long hours.

Wage payments include money wages, payment in kind, and in most cases free housing. However, the level of wages is low, and workers' receipts are generally inadequate to meet their necessary expenditures. A survey made by the FOA Mutual Security Mission revealed recently that nearly half of the workers in a coal mine were in debt, and 48 per cent of the money borrowed was spent on food.[6]

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527 4. National holidays include: January 1, Founding of the Republic of China; March 29, Martyr's Day and Youth Day; August 27, Birth Day of Confucius; October 10, "Double Tenth"--National Day; and November 12, Dr. Sun Yat-sen's Birthday.

000 5. China News Press, Chung-hua Nien-pao, 1953 [China Annual, 1953], Taipei, 1954, Vol. II, p. 115.

6. FOA Mutual Security Mission to China, Project Evaluation Office, unpublished pamphlets based on 1954 survey.

463 sell towels, shirts, soap, food, etc., at roadside stands. Household industries such as cake baking, handicrafts, etc., are also very common. Truck-hopping is an entirely new occupation in Formosa. The truck-hoppers are young and husky persons who hop on the moving trucks and start bargaining for unloading jobs as soon as the trucks reach their places of unloading.

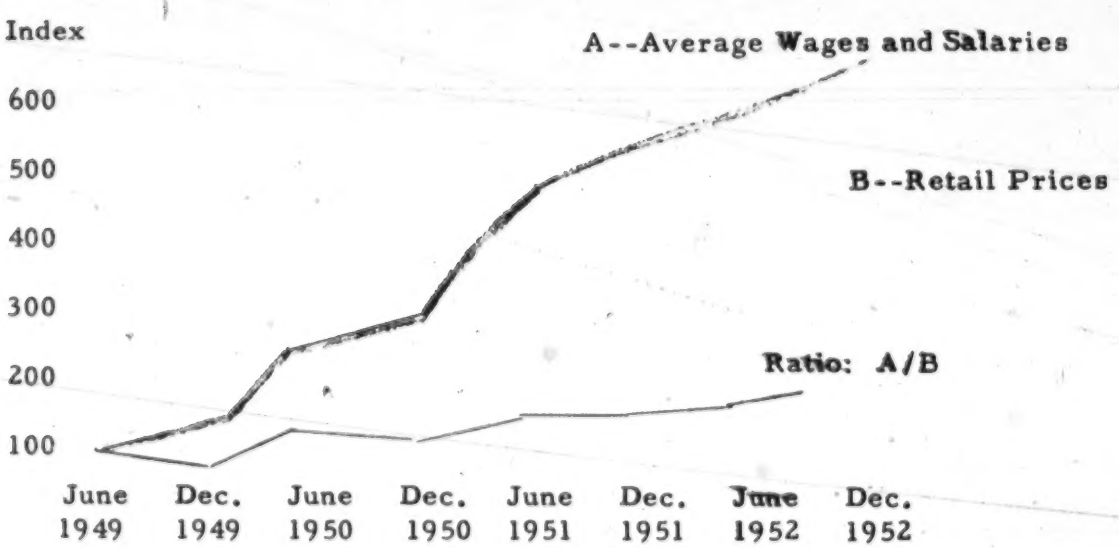
IV. WAGE LEVELS AND WORKING CONDITIONS

• 465 434 The Wage Level. Government statistics shows improvement of the wage level in recent years. During the years 1949-52, the index of wages and salaries rose faster than the retail price index:

45:Stanford U. S-4, 5 1956 AD1 Formosa

HC5 1534 H22

Trend of Wages and Retail Prices --1949-52
Indexes (June 1949 = 100)



Source: Plotted from Appendix II, The Structure of the Taiwan Economy by Taiwan Provincial Government

• 465
434 The average income of 1,383 sample households in the month of June 1953 in urban areas was estimated at NT $585,[22] while that of the average laborer's household was estimated at NT $400. The estimated average gross income in 1952 and 1953 for the households surveyed may be seen in the following table:

YEARLY GROSS INCOME OF 1,383 HOUSEHOLDS (in NT $)

	1952	1953
Total Average	5,684	7,722
Employers	27,252	27,271
Self-employed	6,482	9,206
Laborers	3,826	5,148
Professionals	6,974	11,208
Civil Servants	4,203	9,174
All Others	5,481	7,128

* A. F. Raper and others, op. cit.

22. A. F. Raper and others, op. cit.; this amount is a little less than US $40 at the foreign exchange rate of NT $15.65 to US $1.

465 Roughly 85 per cent of the gross receipts of
434 the laborers and self-employed are in cash, and 15 per cent in other allowances and payment in kind. For the civil servants, only about one-half is in cash. Payment in kind consists of rice, edible oil, salt, and charcoal. For instance, there is a monthly allowance of 66 pounds of rice to each laborer and each adult family member living with him, as well as one-half of that amount to each child under 10 years of age. The total rice allowance for each labor household, however, is restricted to 224 pounds per month.

511 The relatively low standard of living of the laborers is reflected by the pattern of household expenditures, of which food expenditure comprises the major portion. A breakdown of expenditures in 1952 for the 1,383 households surveyed is shown in the table below:

45:Stanford U. S-4, 5 1956 AD1 Formosa
AD2

466 HOURS OF WORK PER DAY IN 45 FACTORIES AND MINES, JUNE 1951*

Daily Working hours	8	9	10	12
Percentage of factories and mines	13	4	16	12
Percentage of factories and mines	29	8.8	35.6	26.6

* Free China Labor League, op. cit., p. 10.

The league also reported that the average number of working days per month for all industries in Formosa was 28.3 for male laborers and 25.8 for female laborers. For male workers, those in the ceramic industry worked the longest hours, 29.6 days a month, while those in the food industry worked only 20.5 days.

• 465 Wage Scale. Aside from miners, textile workers in Formosa are apparently the highest paid of all the factory workers, followed by workers in the printing and machinery industries. The monthly income of workers in selected industries is shown below:

45:Stanford U. S-4, 5 1956 ADI Formosa

MONTHLY INCOME OF WORKERS IN SELECTED INDUSTRIES IN 1952*

Industry	Number of working days	Average daily wages (NT $)	Average monthly income (NT $)
Metal	24.9	11.96	298
Machinery	28.5	13.90	396
Chemical	28.0	10.33	289
Ceramics	29.6	12.23	361
Textile	28.7	14.74	422
Food	20.5	14.45	296
Printing	25.1	15.90	400

* Working days of laborers from Free China Labor League, op. cit., and average daily wages from Yearbook of Labor Statistics 1953 by International Labor Office; average of January-October 1952 only.